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Paul T. Diskin  
Manager  
Rates & Regulation

December 9, 2004

Timothy C. Phillips  
Senior Counsel  
Office of the Tennessee Attorney General  
425 Fifth Avenue North  
Nashville, TN 37202-0207

**RE: Interrogatories and Requests for Production of Documents by the Attorney General (Second Set) To Tennessee-American Water Company  
Rate Case No. 04-00288**

Dear Mr. Phillips

Enclosed are 3 copies of original response to Question 50 in regards to the above Interrogatories for Tennessee American's petition to increase rates which was filed on September 10, 2004. This response was electronically sent on December 6, 2004 with this hard copy to follow

Sincerely,

A handwritten signature in cursive script, appearing to read "Paul T. Diskin".

Paul T. Diskin

Enclosures

cc M. Miller w/enclosure  
D. Grimes w/enclosure  
S. Dillon w/enclosure  
R. Nelson w/enclosure  
H. Walker w/enclosure

Pennsylvania American Water

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**Interrogatories and Requests for Production  
Of Documents by the  
Attorney General (Second Set)  
To Tennessee-American Water Company  
Rate Case No. 04-00288**

50. Q. PLEASE PROVIDE A NARRATIVE OF PLANT ADDITIONS TOTALING \$1,182,573 FOR COMPUTER & PERIPHERAL EQUIPMENT, AND PERSONAL ACCOUNTS 340.53 AND 340 56 DETAILED ON "COMPANY WORKPAPERS" EXHIBIT NO.1, SCHEDULE 2 PAGE 3 OF 3 INCLUDING.
- a. WHAT IS BEING PURCHASED; I.E , TYPE OF HARDWARE/SOFTWARE
  - b. NEED FOR EQUIPMENT, (TO IMPROVE PRODUCTIVITY, REPLACEMENT OF OUTDATED EQUIPMENT, ETC.)
  - c. DEPARTMENT(S) UTILIZING HARDWARE/SOFTWARE;
  - d. IF COST IS ALLOCATED, PLEASE PROVIDE WORKPAPERS FOR ASSIGNING ALLOCATION, AND
  - e. PROVIDE ESTIMATED COST SAVINGS ASSOCIATED WITH EACH PLANT ADDITION.

**RESPONSE:**

- A. Portable computers (Toughbooks) utilized by field personnel along with the new software is being purchased.
- B. The objective is to provide efficiencies and improve productivity.
- C. The hardware will be located in the service personnel vehicles and software will be housed at the Data Center located in Hershey, PA.
- D. The costs for the portable computers will be the actual cost for those computers used in the Tennessee American operations. The software is being spread amongst the entire American Water system and will be allocated based upon number of customers. Tennessee American currently has approximately 3% of the customers in the American Water system.
- E. Efficiencies will be generated through these plant additions, but there is no quantifiable cost savings at this point in time